

## Updated Supplementary Information as Requested

### Mountainside Village Request for Local Government Contribution for Low Income Housing Tax Credit (LIHTC) Application

**Type of Project:** Acquisition and Rehabilitation of Mountainside Village Apartments, an existing 80-unit complex constructed in 1996 and located in the Sunnyside neighborhood

**Requested Contribution:** \$245,000

**Type:** Loan

**Loan Conditions:** 30-years, 3% annual interest-only payments, based on cash flow available with a balloon payment of principle at end of 30-years. Project must maintain rents affordable to households at or below 60% Area Median Income (currently \$37,300 for a household of 4) for the duration of the 30-years or repay the funds)

**Source of Funds:** Repayment of existing loan on same property in amount of \$345,000  
Original loan executed via sale of City-owned property to developer in 1994.

**Total Development Cost:** \$15,048,588 (*number updated by requesting party as of April 7, 2013*)  
\$185,785 per unit (Replacement Value)  
Project meets application criteria for "Efficient Use of Tax Credits" as per unit cost is projected to be at least 20% below the 221(d)(3) limits for Coconino County. *[221(d)(3) is a published HUD mortgage insurance limit]*

**"As-Is Appraised Value":** \$3,000,000 (based on an income approach and taking the affordability restrictions into account)

Number of Units	% of AMI Served	Rent for 2 Bedroom	Rent for 3 Bedroom
24	40%	\$449	\$493
32	50%	\$588	\$654
24	60%	\$728	\$816
1	Manager's Unit		
81 Total Units			

**Purchase Price:** \$3,000,000

**Permanent Financing:**

- U.S. Bank – Permanent Loan (1<sup>st</sup> Deed of Trust): \$1,465,000
- Arizona Department of Housing – HOME Loan (2<sup>nd</sup> Deed of Trust): \$ 750,000
- City of Flagstaff – Loan (3<sup>rd</sup> Deed of Trust): \$ 245,000

TOTAL SECURED DEBT: \$2,460,000

(INCLUDES CITY LOAN)

**Recorded  
Loan-To-Value (LTV):** 82%

**City's Current Position:** Current loan of \$345,000 is subordinate to \$2,450,000 (does ***not*** include City loan) in recorded debt. Proposed new position will be subordinate to \$235,000 less in recorded debt.